1	CONDOMINIUM OWNERSHIP ACT
2	1999 GENERAL SESSION
3	STATE OF UTAH
4	Sponsor: Michael G. Waddoups
5	AN ACT RELATING TO THE CONDOMINIUM OWNERSHIP ACT; PROVIDING A
6	FORMULA FOR THE VALUATION OF TIMESHARE INTEREST FOR PROPERTY TAX
7	PURPOSES; AND MAKING TECHNICAL CHANGES.
8	This act affects sections of Utah Code Annotated 1953 as follows:
9	AMENDS:
10	57-8-27, as last amended by Chapter 73, Laws of Utah 1987
11	Be it enacted by the Legislature of the state of Utah:
12	Section 1. Section 57-8-27 is amended to read:
13	57-8-27. Separate taxation.
14	(1) Each unit and its percentage of undivided interest in the common areas and facilities
15	shall be [deemed] considered to be a parcel and shall be subject to separate assessment and
16	taxation by each assessing unit and special district for all types of taxes authorized by law,
17	including [but not limited to,] ad valorem levies and special assessments. Neither the building or
18	buildings, the property, nor any of the common areas and facilities may be considered a parcel.
19	In the event any of the interests in real property made subject to this chapter by the
20	declaration are leasehold interests, if the lease creating these interests is of record in the office of
21	the county recorder, if the balance of the term remaining under the lease is at least 40 years at the
22	time the leasehold interest is made subject to this chapter, if units are situated or are to be situated
23	on or within the real property covered by the lease, and if the lease provides that the lessee shall
24	pay all taxes and assessments imposed by governmental authority, then until ten years prior to the
25	date that the leasehold is to expire or until the lease is terminated, whichever first occurs, all taxes
26	and assessments on the real property covered by the lease shall be levied against the owner of the
27	lessee's interest. If the owner of the reversion under the lease has executed the declaration and

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record of survey map, until ten years prior to the date that the leasehold is to expire, or until the lease is terminated, whichever first occurs, all taxes and assessments on the real property covered by the lease shall be separately levied against the unit owners having an interest in the lease, with each unit owner for taxation purposes being considered the owner of a parcel consisting of his undivided condominium interest in the fee of the real property affected by the lease.

- (2) No forfeiture or sale of the improvements or the property as a whole for delinquent real estate taxes, special assessments, or charges shall divest or in anywise affect the title to an individual unit if the real estate taxes or duly levied share of the assessments and charges on the individual unit are currently paid.
- (3) Any exemption from taxes that may exist on real property or the ownership of the property may not be denied by virtue of the submission of the property to this chapter.
- (4) Timeshare interests and timeshare estates, as defined in Subsection 57-19-2 (17), may not be separately taxed but shall be valued, assessed, and taxed at the unit level. In ascertaining the valuation of timeshare interests and timeshare estates, the county assessor may utilize the average purchase price paid by the timeshare owners in the timeshare project in determining the real estate property values. In the event the average purchase price is utilized as a factor in determining the assessed value of a unit, the county assessor shall deduct from the average purchase price usual and reasonable fees and costs of a sale, including marketing costs, costs of providing financing, and those costs attributable to the right of a timeshare unit owner to participate in an exchange network of resorts. For timeshare real property, usual and reasonable fees and costs of a sale shall be presumed to be 50% of the average purchase price paid by timeshare owners in the timeshare project; provided, however, the presumption shall be rebuttable. Notice of assessment, delinquency, sale, or any other purpose required by law is considered sufficient for all purposes if the notice is given to the management committee.

Legislative Review Note as of 2-4-99 12:54 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel